State of Montana
Department of Revenue

Agency IT Plan
Fiscal Year 2012-2017

May 2012

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EXECUTIVE SUMMARY

The Department of Revenue (DOR) believes its central purpose is to improve the quality of life for Montana citizens by excelling at public service and effective administration of the tax and liquor laws of Montana. The department successfully fulfills this purpose by:

- Ensuring that revenues intended by the legislature to be raised are collected to serve Montanans,
- Advancing equity and integrity in taxation,
- Providing innovative and respectful service,
- Protecting the public health and safety, and achieving efficiency in liquor administration and,
- Improving public understanding of Montana's revenue system.

The DOR pursues this mission within the framework of our core values, which are rooted in the Montana Constitution and in fundamental values proven by human experience to lead an organization or community forward in a continuous positive manner. These core values include:

- Respect for All Persons
- Integrity and Justice
- Productivity and Effectiveness
- Teamwork and Community

The DOR is composed of six interrelated parts that work together to produce local and state revenue, the agency's primary product. Each part contributes to the whole output of the DOR. Using its defined purpose and core values as a framework, the department identified the following business goals:

- To serve Montana's citizens by respecting their legal rights, recognizing their dignity as individuals, and advancing public understanding of the tax system.

- To advance equity and integrity in taxation by reducing gaps between taxes paid and taxes owed, and properly classifying and equalizing the value of all taxable property in the state.

- To support the proper operation of local governments and school districts by effectively administering Montana's property tax system.

- To continually strengthen working relationships with other state agencies, tribal and local governments, the federal government, and the general public.

- To protect the public health and safety in the consumption of alcohol by properly licensing alcoholic beverage establishments, and efficiently distributing alcoholic beverages through a state controlled system.

- To position the department to be prepared to manage various types of disasters.

- To continually improve productivity and the quality of service by developing competent staff, using innovative practices and technology, fostering teamwork within the agency, improving the management of resources, and responding to changing circumstances.

Effective, efficient and quality technology solutions are the foundation in which the department is able to successfully achieve these integrated goals. The Information Management and Technology (IMT) Division is an integrated service within each division of DOR as it cannot be truly separate from the delivery of services. Therefore, Information Technology (IT) has aligned our service and mission with DOR goals and division sub goals

and seeks to enable success through delivery of the highest quality services and support possible. To facilitate our effort, IMT has developed an agency IT plan to:

- provide Montana taxpayers with enhanced electronic services;
- provide desktop computing and network infrastructure that best meets the department's needs;
- provide electronic collaboration tools;
- develop and expand electronic records management;
- expand the utilization of electronic tax compliance tools;
- implement imaging, workflow and web services;
- establish a workforce development plan;
- develop and implement business continuity/recovery plans; and
- improve public understanding of Montana's revenue system and the services the department provides.

The agency plan includes goals and objectives that directly support DOR's business goals and are closely aligned with the State of Montana Information Technology Strategic Plan. Virtually all elements of DOR's Agency IT Plan are driven by recognition and understanding of the department's business needs. The Agency IT Plan builds on the foundation and integrated service aligned with DOR goals and division sub goals established in recent years with a commitment to continuously improve a quality computing environment. All of the initiatives presented in this plan are designed to ensure that DOR is operating at the highest level of efficiency while providing Montana citizens the highest quality of service and value for their tax dollars.

SECTION 1: AGENCY ADMINISTRATIVE INFORMATION

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IT Inventory

The IT inventory database located at http://mine.mt.gov/enterpriseitinventory was updated on April 11, 2012 As required by MCA 2-17-524(3) (c) the plan will be updated by June 30th, 2012.

SECTION 2: AGENCY IT MISSION

The Department of Revenue does not have an "IT Mission". It has a mission to serve the Montana public as stated in the Executive Summary. For a department to have a public mission, and also have an IT Mission, a Human Resource Mission, a Physical Facilities Mission, etc diminishes the value of its overall public mission and creates the potential for conflict or confusion over the true purpose or direction of the agency.

The Information Technology Bureau within the Department of Revenue has developed an excellent statement of objectives for its operation, and we submit that in lieu of an "Agency IT Mission".

The Information Technology Bureau is dedicated to providing professional services. We emphasize a positive work environment through teamwork, compliance, integrity, information availability, and confidentiality. We strive to empower those we serve with the ability to complete their tasks effectively and efficiently with quality equipment, innovative applications and continuous support.

SECTION 3: AGENCY REQUIRED PROGRAMS

Information Security Management (ISM) Program General Description

The DOR is responsible for a wide range of security that goes way beyond the state's requirements under Title 15, in accordance with the Internal Revenue Service (IRS) section 6103(d) of the Internal Revenue Code. In compliance with the IRS Publication 1075, annual reports (Safeguard Activities Reports) are provided to the IRS which includes any changes to the department's security programs or functions as those changes apply to section 6103(d) and the authority to receive, use, and safeguard Federal Tax Information (FTI). The DOR works in conjunction with the Department of Administration (DOA) State Information Technology Systems Division (SITSD) to ensure compliance of these federal regulations, SITSD is as obligated to comply as much as we are due to the support services provided. Through the communications with the IRS Safeguard office, the DOR and DOA/SITSD work to continually enhance security features and guidelines for systems to meet the National Institute of Standards and Technology (NIST) requirements.

DOR and DOA/SITSD have a Memo of Understanding to improve the security and administration of the DOR mid-tier environment. The improvements provide DOR with dedicated, segregated servers located on SITSD's raised floor, creating a more secure environment for DOR confidential data. Joint administration places management responsibilities with DOR staff and provides greater administrative and supervisory control over those resources. In the event of an incident, the segregated environment also makes information sharing more possible, thus closing any communication gap and ensuring we are partners in minimizing any security risks that may affect confidential data.

The DOR has implemented a department-wide information security management program compliant with §2-15-114, MCA and SITSD *Information Security Programs* policy with adoption of the NIST Special Publication 800 series as guides for establishing appropriate security procedures. This is in alignment with the State of Information Technology Service's direction for an enterprise approach to protect sensitive and critical information being housed and shared on State and/or external/commercial information assets or systems.

As described in NIST SP 800-39, the agency has developed and adopted the Information Risk Management Strategy to guide the agency through information security lifecycle architecture with application of risk management. This structure provides a programmatic approach to reducing the level of risk to an acceptable level, while ensuring legal and regulatory mandates are met in accordance with MCA §2-15-114.

The agency's program has four components, which interact with each other in a continuous improvement cycle. They are as follows:

- Risk Frame – Establishes the context for making risk-based decisions
- Risk Assessment – Addresses how the agency will assess risk within the context of the risk frame; identifying threats, harm, impact, vulnerabilities and likelihood of occurrence
- Risk Response – Addresses how the agency responds to risk once the level of risk is determined based on the results of the risk assessment; e.g., avoid, mitigate, accept risk, share or transfer
- Risk Monitoring – Addresses how the agency monitors risk over time; "Are we achieving desired outcomes?"

The agency's information security management program is challenged with limited resources; manpower and funding. While alternatives are reviewed and mitigation efforts are implemented the level of acceptable risk is constantly challenged by the ever changing technology and associated risks from growing attacks and social structure changes. Specific vulnerabilities have been identified which require restructure, new equipment, or personnel positions (funds increase), and are addressed below in our future plans.

Ongoing and Future Security Program Plans

In order to continue to comply with statute, the department will continue to enhance our security program by:

- Employing the ongoing need for a dedicated disclosure officer who plays an effective role in ensuring compliance with the IRS's Publication 1075 - Tax Information Security Guidelines, NIST Security Standards, and the Montana Taxpayer Bill of Rights

- Maintaining the structure that includes the department's information security officer and technical security officer in a dual capacity to administer our information security program
- Designating a Security Task Force comprised of representatives from each division to discuss and review security measures to be presented to the department's leadership
- Deploying and maintain written internal information security policies and procedures
- Employing multiple layers of user authentication for system
- Ensuring segregation of duties when creating security matrix access roles
- Subscribing to the "least privilege" philosophy in granting system access
- Including appropriate security requirements, as determined by the department, in the written specifications for the department's solicitation of data and information technology resources
- Ensuring that system audit trails are maintained, reviewed, and
- Ensuring that internal evaluations of the information security program are conducted.

The department recently completed deployment of Symantec Endpoint Encryption software to all department laptops, this tool provides full hard drive encryption. We anticipate having this software fully implemented on all workstations by the end of calendar year 2012.

The department provides its employees with information security training covering the following topics:

- network security
- laws, rules, and policies
- login IDs and passwords
- viruses, hoaxes, and chain letters
- proper use of e-mail and the Internet
- user responsibilities

During the department's New Employee Orientation both the Information Security Manager and Technical Security Manager provide training materials educating new employees on the importance of security awareness. Educational articles on security are periodically submitted to the department's newsletter and through email. Employees are required to sign disclosure statements annually on computers, use of the internet and confidentiality. The department is also in the process of issuing Policy 2.3.1 Security Task Force that defines the responsibilities of the task force including "developing security training for department staff and contractors".

Continuity of Operations (COOP) Capability Program General Description

Due to the integrated nature of DOR with state and local governments, on March 1, 2010 DOR joined with the Department of Administration *Continuity Services* for the development of our agency's Continuity of Operations Capabilities, which will provide the plans and structure to facilitate response and recovery capabilities to ensure the continued performance of the State Essential Functions of Government. This program involves two Blocks of focus; the first is to complete the Business Continuity Plans (BCP) involving two phases, the second Block works on the specific business processes or activity plans such as Emergency Action Plans (EAP), Information System Contingency Plan (ISCP), Communications Plans, Incident Management Plans, and more. Our plans have already been developed, therefore completion of this process with the Continuity Services Bureau should be completed in the next three to six months. This program is not a standalone process in that information which is identified and recorded under this structure can and often exists in the Records Management Program and associates with Information Security Management Program requirements.

Integration of these three programs is critical to the confidentiality, integrity, and availability of information, which is associated with each program.

Future COOP Program Plans

The agency's continuity of operations program is challenged with limited resources; manpower and funding. While alternatives are reviewed and mitigation efforts are implemented the level of acceptable risk is constantly challenged by the ever changing technology and associated risks from growing attacks and social structure changes. Specific vulnerabilities have been identified which require restructure, new equipment, or personnel positions (funds increase), and are addressed below in our future plans. Over this strategic period we plan to undertake these efforts despite lack of funding:

- Perform disaster recovery drills annually

- Maintain disaster recovery contracts with SITSD and vendors

- Continue to develop a payment processing and tax return custody service

- Migrate to the Miles City back up facility

The department continues to make efforts to upgrade its disaster recovery and continuity of operation activities. Despite those efforts, the Department of Revenue finds that there continue to be unnecessary risks to the health of state and local governments due to budget constraints and denial of past budget requests aimed at improving disaster response and recovery of Montana's revenue system.

SECTION 4: AGENCY IT PLAN – GOALS & OBJECTIVES

Goal Number 1:

IT Goal 1   **Collaboration and integration with the business units in identifying and implementing appropriate, efficient, cost-effective technology solutions to best meet the department's business goals and objectives.**

Description: Ensure Montana citizens and businesses are served through responsible, appropriate investment in, and implementation of, IT resources.

Benefits: The department is best positioned to meet its statutory responsibilities and performance objectives.

This goal supports the following State IT Strategic Plan objectives:

- Objective 1-2: Recruit, train, and retain a highly skilled workforce
- Objective 1-3: Strengthen and expand information technology partnerships
- Objective 1-4: Develop and implement management processes for using and securing information
- Objective 2-1: Seek out and implement innovative information technology solutions
- Objective 2-2: Enhance collaboration
- Objective 2-3: Increase use of seamless cross-boundary information solutions
- Objective 3-1: Explore and implement technology to enhance accessibility, availability, and usability of information
- Objective 3-2: Leverage robust technology platforms
- Objective 4-3: Review and update enterprise and agency security and privacy policies, standards, and guidelines that support an agile, adaptable, and resilient technology infrastructure, and provide for the proper protection of citizens' personal information
- Objective 5-4: Align technology investments with the state's overall goals, priorities, and mission objectives

Supporting Objective/Action

Objective 1-1   Expand and enhance e-services

Business Requirement: The need for improved and enhanced electronic services for Montana citizens and businesses; to provide access to online unclaimed property filing and online auctions for unclaimed property held by the state, and to provide citizens secure and convenient mobile file-and-pay options for wireless devices. These online services need to be enhanced in the context of protecting the confidentiality and security of taxpayer information and revenue operations.

Benefits: Wide-spread use of electronic services will increase accuracy and efficiency in returns processing resulting in improved citizen service. These services make complying with tax regulation less burdensome thus improving voluntary compliance; provide a convenient means for citizens to claim their abandoned property; result in better market values received for auctioned property thus maximizing revenues to the general fund; and reduce tax processing by enabling citizens to file or pay taxes using wireless devices.

Anticipated risks: inability to improve public understanding of Montana's revenue system and the services the department provides; delayed implementation; cost of payment portal; FTE to support e-services

Timeframe for completion: started in FY11 - ongoing

Critical success factors: e-file and pay options available for all appropriate tax types, licenses and fees; increase usage of the services.

Supporting Objective/Action

Objective 1-2   Expand and enhance electronic collaboration technologies to support tax

administration functions of the business units

Business Requirement: The need to make state-wide information sharing and training more effective, productive, safe, and cost effective.

Benefits: Meetings held using electronic collaboration technologies, rather than in-person, will not only be more energy efficient but will provide for improved productivity, communications, education and training, and reduced travel time. There is significant potential for more productive and more frequent collaboration with state-wide employees and other entities. Eventually, the service can be made available to citizens and businesses that have matters or issues pending with the department leading to additional cost reduction while improving communication with Montana citizens

Anticipated risks: cost; telecom and bandwidth capacity issues; training; IT support

Timeframe for completion: Started in FY11 – ongoing

Critical success factors: Electronic collaboration tools deployed and widely used by department staff; a plan in place for the extension of this service to citizens and businesses interacting with the department.

Supporting Objective/Action

Objective 1-3 Improve efficiency, service, and taxpayer confidentiality through imaging and scanning technology

Business Requirement: The need to manage the flow of paper documents throughout the agency; process refunds more timely; reduce data security risk associated with physical transportation of paper documents; improve compliance activities with the capturing of additional data from existing forms as well as capture new data; and make information more rapidly and readily available to decision and policy makers.

Benefits: While it continues to reduce paper returns through electronic filing, the department, nevertheless, devotes significant resources moving, retrieving, and storing paper documents to facilitate compliance activities. Physical transport of paper documents to and from off-site facilities includes a heightened risk of disclosure of confidential state tax documentation. Imaging and workflow has greatly enhanced the department's ability to protect confidential taxpayer information while improving its overall efficiency in compliance activities, returns processing and error correction, and overall service to the taxpayer. Ongoing implementation has allowed the department to capture more data than ever by using dynamic two-dimensional bar coding to extend the benefits of efficient tax return processing, faster taxpayer refunds, enhanced information for legislative decision making, and increased tax revenues from compliance. Further, implementation in the Property Assessment Division (PAD) will improve property valuation activities and property tax administration. The efficiencies realized in PAD would accommodate the future growth of parcels in the state and minimize the need to increase staff. The Office of Human Resources is exploring the options of scanning personnel records, this objective would assist with that project as well.

Anticipated risks: cost; internal support and buy in to the process changes department-wide; learning curve; IT support

Timeframe for completion: started FY11 - ongoing

Critical success factors: successful implementation of technology with business process changes in place and supported department-wide.

Supporting Objective/Action

Objective 1-4 Records and information management

Business Requirement: The Montana Department of Revenue is responsible for the administration, security and confidentiality of state tax documentation, in both physical and electronic formats dictating the necessity for a centralized records management function. The department has not established department-wide, routine inventory and disposition practices for all of its records and does not have department-wide records management practices and policies. As a result, the department faces challenges in meeting its statutory requirements and reducing security risks.

Benefits: Enables the department to better manage document and records retention; address security issues related to capturing confidential taxpayer data.

Anticipated risks: Delayed implementation; IT support; training; FTE; cost

Timeframe for completion: started in FY12 – ongoing

Critical success factors: Successful hiring of Records Manager charged with implementation of a records management system.

Supporting Objective/Action

Objective 1-5   Property valuation system enhancement

Business Requirement: The need to provide additional system functionality not covered under existing software maintenance and support. Additional functionality needed includes enhancements allowing DOR to better meet local governments' data requirements; to make the valuation process more accurate, timely, and taxpayer friendly; and to support data sharing and centralization to facilitate tax administration and compliance activities.

Benefits: Transferring functionality to GenTax and the use of other software systems or combination of will improve the timelier delivery of certified values to local governments and service to, and communication with, taxpayers through online services for submitting information to the department. The efficiencies realized in the Property Assessment Division would accommodate the future growth of parcels in the state and minimize the need to increase staff. Meeting this goal may happen through improvement in Orion or be supplemented by GenTax.

Anticipated risks: Business process changes supported department-wide; IT support; training

Critical Success Factors: Successful deployment of automated process and availability of on-line access to property owners

Supporting Objective/Action

Objective 1-6   Implement a consolidated application and system support model with oversight from the IT Quality Assurance Unit

Business Requirement: The need to consolidate the information technology support of all Department of Revenue's automated systems within the Department of Revenue Information Management and Technology Division (IMT). Information technology support includes, but may not necessarily be limited to network, data, software and hardware security; software and hardware purchase, maintenance, development and planning; database administration; systems development and maintenance processes and procedures; business user training related to system functions and features; and vendor contracting and contract administration related to hardware, software, security or other technical support areas. The role of the Quality Assurance Unit is to manage all aspects of quality assurance and testing of software department-wide including analysis, design, testing and deployment of all applications.

Benefits: Strengthens the physical and electronic data security and privacy safeguards by the uniform administration and application of data security and privacy rules that comply with the State of Montana and Department of Revenue standards; increases the effectiveness and efficiency of the maintenance, support and development of the department's automated systems through the implementation of standardized production support, production migration and system development processes and procedures; improves the department's long range IT planning and decision making across all divisions by incorporating the knowledge and experience of those affected divisions in all phases of the planning and budgeting processes for the IT related areas such as hardware or software; maximizes the allocation of limited DOR resources by implementing a department-wide process of identifying, prioritizing and scheduling all IT related work from small production problems to large scale system development efforts; ensures that the business and management analysts are equipped with the data analysis and reporting capabilities to meet the DOR's dynamic and complex data analysis and reporting requirements. Better and more focused assurance that products are defect free and comply with technical specifications since they will be analyzed for issue by the Quality Assurance Unit.

Anticipated risks: Business process changes supported department-wide; IT support; training; FTE

Timeframe for completion: started FY11 with the creation of the IT Quality Assurance Unit

Critical Success Factors: Upgraded data security and privacy controls for all of the DOR's automated systems; standardized problem reporting process; enhanced SR prioritization process; standardized production migration process; service request tool successfully implemented.

Supporting Objective/Action

Objective 1-7   Enhance utilization of electronic compliance tools

Business Requirement: The need to enhance the use of data and statistical analysis tools to maximize the validity and reliability of cross-matching and compliance activities using data from GenTax, Orion, IRS, and other DOR sources.

Benefits: Ensures, to the greatest extent possible, that every taxpayer pays their fair share and enables the department to close the tax gap and properly administer the tax laws. Ensures a level playing field to support equal competition in the marketplace and equitable economic development opportunities. Provides better valuation and helpful information for investors and real estate transactions.

Anticipated risks: Department-wide buy in; IT support; training; FTE; cost

Timeframe for completion: started in FY11 – ongoing

Critical success factors: Successful implementation of data and statistical analysis tools that measurably enhances compliance; tools being used department-wide.

Supporting Objective/Action

Objective 1-8   Support enterprise implementation of an identity management system

Business Requirement: The need to better manage the security lifecycle, i.e., account creation, suspension, privilege modification, and account deletion, thus better securing DOR systems and data from unauthorized access.

Benefits: User identities are provisioned and coordinated; application provisioning is automated; user roles, privileges, and credentials are managed; administrators delegate responsibility; administrators deploy applications easily and securely; users self-manage their preferences and passwords; users have single sign-on access. Administration costs are reduced through centralized account management and automated tasks; application deployment is accelerated by enabling new applications to use the existing infrastructure to provision user accounts and privileges; time needed to grant new-user access is reduced; and security and usability is improved by centrally managing user passwords and security credentials.

Anticipated risks: Department-wide buy-in, funding, IT support, training

Timeframe for completion: FY15

Critical success factors: Implementation recommendations are ready for presentation to department leadership

Supporting Objective/Action

Objective 1-9   Implement a full disk encryption solution to help maintain public trust that confidential tax information will remain confidential and that all tax information will only be used for appropriate public purposes and to ensure compliance with relevant federal and state security policy

Business requirement: To ensure compliance with state policy regarding encryption of sensitive data on all workstations, laptops and any other computing device.

Benefits: The Symantec Endpoint Encryption software provides full hard drive encryption that takes data security responsibility out of the end user hands, it is done automatically.

Anticipated risks: Department-wide buy-in, funding, training

Timeframe for completion: Laptops fully implemented in Spring of FY12; all equipment complete by end of calendar year 2012

Critical success factors: Rollout with minimal user impact; breach prevention

Supporting Objective/Action

Objective 1-10   Ensure SITSD sensitivity awareness and sensitivity to threat to taxpayer information confidentiality and security posed by cloud computing technology

Business requirement: Protect against potential threats that cloud computing could pose to successful revenue collection if such computing technology either does or is perceived by the public as compromising the security of taxpayer information.

Benefits: Partnering with SITSD to eliminate any risks associated with cloud computing technology with regard to security of data allows the enterprise to be responsible for the protection of taxpayer data and help ensure taxpayers this issue is taken very seriously when implementing new technology.

Anticipated risks: Funding; managing the security carefully; resources

Timeframe for completion: FY15

Critical success factors: Rollout with minimal user impact; breach prevention

Supporting Objective/Action

Objective 1-11   To develop an online registration system for businesses, licenses, fees and permits with the capability to reach out to the Internal Revenue Service and local governments who could benefit from participating in the program

Business requirement: Provide the capability to register, renew and pay the license fees associated with the One-Stop licensing program, as well as fees, licenses and permits of other state agencies and government entities not currently part of the One-Stop Licensing Program.

Benefits: Creates a better business climate for citizens and businesses, provides greater productivity in state government, better information for decision-making and better exchange of information for all participating agencies. This program will provide better service to citizens who interact with the State of Montana and also improve the efficiencies for those citizens.

Anticipated risks: Funding; statewide agency participation

Goal Number 2:

IT Goal 2   Recruit, train and retain a highly skilled workforce

Description: Attract and retain a qualified information technology workforce through competitive pay and effective use of training.

Benefits: Enable employees to continuously improve performance and contribute to the department's efficiency and effectiveness.

This goal supports the following State IT Strategic Plan objectives:

- Objective 1-2: Recruit, train, and retain a highly skilled workforce
- Objective 1-3: Strengthen and expand information technology partnerships
- Objective 3-3: Document and implement repeatable technology management processes
- Objective 5-3: Coordinate and leverage state technology investments
- Objective 5-4: Align technology investments with the state's overall goals, priorities, and mission objectives

Supporting Objective/Action

Objective 2-1   Establish a workforce development plan

Business Requirement: The need to recruit and retain qualified IT professionals and provide them with a plan on how to grow within the agency.

Benefits: Aids in the development of a more productive, competent and content workforce leading to an

improved computing environment for department employees and Montana citizens.

Anticipated risks: High turnover; inability to fill vacancies; time necessary to develop the plan and implement timely

Timeframe for completion: FY13

Critical success factors: All IT positions reviewed for accuracy in classification; competitive salary plan and career paths in place with Director's Office approval.

Goal Number 3:

IT Goal 3   **Ensure continuity of business operations within limited resources**

Description: Define procedures to ensure timely and orderly resumption of DOR's business operations with minimal or no interruption to time-sensitive services.

Benefits: Continued service to the Montana taxpayers and continued productivity by DOR staff.

This goal supports the following State IT Strategic Plan objectives:

- Objective 2-1: Seek out and implement innovative information technology solutions
- Objective 3-1: Explore and implement technology to enhance accessibility, availability, an usability of information
- Objective 4-1: Develop and implement an information risk management program
- Objective 4-2: Identify and document compliance requirements
- Objective 4-3: Streamline and unify information security processes in accordance with industry practices

Supporting Objective/Action

Objective 3-1   **Develop & implement a department-wide business continuity/resumption plan**

Business Requirement: The need to ensure DOR's ability to survive a disaster, to resume normal operations and to reestablish critical services within a reasonable time. To identify weaknesses and implement a disaster prevention program; minimize the duration of a serious disruption to business operations; facilitate effective co-ordination of recovery tasks; and reduce the complexity of the recovery effort.

Benefits: Continued service to the Montana taxpayers and continued productivity by DOR staff.

Anticipated risks: funding, IT support, training

Timeframe for completion: started in FY11 – ongoing

Critical success factors: Department-wide business continuity/resumption plan implemented to include supplemental plans for ongoing testing and updating

Supporting Objective/Action

Objective 3-2   **Payment processing and tax return custody services**

Business Requirement: The need for an alternative, back-up tax payment processing and tax return custody service should a disaster render the current department tax payment and return processing facility unavailable.

Benefits: Daily processing of state revenues will continue and confidential taxpayer information will be protected by rerouting tax returns and payments to an alternate, secure location should the Helena processing facility be unavailable due to a major disaster. A minimum level disaster response is provided.

Anticipated risks: funding, development of MOU with reciprocal state being completed

Timeframe for completion: started in FY11 – ongoing

Critical success factors: MOU and any contracts in place with state/vendor to provide the needed services; drill successfully completed.

Supporting Objective/Action

Objective 3-3   Migrate to Miles City Backup Facility

Business Requirement: The need for an alternative, back-up facility that works with the State Data Center.

Benefits: Daily processing of state revenues will continue and confidential taxpayer information will be protected by rerouting tax returns and payments to an alternate, secure location should the Helena processing facility be unavailable due to a major disaster. A minimum level disaster response is provided. This includes moving the GenTax application from the Oracle platform to the Microsoft SQL Server platform.

Anticipated risks: funding, Miles City facility ready for the move, IT support

Timeframe for completion: FY13

Critical success factors: Equipment in place; drill successfully completed.

Goal Number 4:

IT Goal 4   Property Tax and Income Tax Joint Administration

Description: The goal is to improve operational efficiency, taxpayer convenience, and compliance activities by removing technology and organizational barriers. The Orion system was moderately funded despite the responsibility for interaction between 56 county offices and state and local governments. Orion is capable of property tax valuation in DOR's unique statewide system but isn't efficient in administration tasks, something GenTax does well. The objective is to refine and enhance the data exchange that was prototyped during the GenTax Personal Property Project between GenTax and Orion.

Benefits: DOR revenue and property valuation software systems are integrated resulting in consistent customer (tax payer and property owner) data integrity; increase DOR ability to respond to changes in property valuation and taxation requirements; remove any cross-system technological hurdles for future projects involving Orion and GenTax

This goal supports the following State IT Strategic Plan objectives:

- Objective 1-1: Increase use of consolidated platforms and shared services

- Objective 1-4: Develop and implement management processes for using and securing information

- Objective 2-1: Seek out and implement innovative information technology solutions

- Objective 2-2: Enhance collaboration

- Objective 2-3: Increase use of seamless cross-boundary information solutions

- Objective 3-1: Explore and implement technology to enhance accessibility, availability, and usability of information

Supporting Objective/Action

Objective 4-1   Better use and management of data within the department to fulfill its public mission

Business Requirement: Improve compliance with tax laws by enhancing the efficiency and effectiveness of department operations by better utilizing data with the department.

Benefits: Integrate DOR revenue and property valuation systems will result in consistent customer (taxpayer and property owner) data integrity; will create unique relationships between the systems and

reduce barriers within the department.

Anticipated risks: funding, FTE, department-wide buy-in

Timeframe for completion: FY13/FY14

Critical success factors: system integration in place and being used by all department business areas.

SECTION 5: IT INITIATIVES (FY2012 – FY 2017)

Initiative 1   **Enhance E-Services for Property and State Taxes**

Description: Electronic services for income taxes have greatly streamlined and improved the tax process for taxpayers and the department. However, electronic services have lagged substantially for other tax types – including property taxes and non individual income taxes. This proposal will bring benefits of electronic tax administration to property and other taxpayers. DOR would like to provide a variety of online and convenient services for citizens, local governments and the state. These services include functionality that ensures the security and accuracy of the data resulting in better service and timely tax collections.

EPP Number -

Initiative 2   **Ongoing System Maintenance and Support**

Description: The Department of Revenue (DOR) has purchased a Commercial Off-the-Shelf (COTS) product for tax processing called GenTax built by FAST Enterprises, LLC. COTS products require a long term relationship with the vendor to support proprietary code. The tax administrative demands on the system have expanded dramatically since the original implementation.

EPP Number -

Initiative 3   **Disaster Mitigation and Records Management**

Description: To provide the migration plans and structure to facilitate response and recovery capabilities to ensure the continued performance of Montana's revenue system; to implement an efficient and systematic control of the creation, receipt, maintenance, use and disposition of paper and electronic records, including the process for capturing and maintaining evidence of and information about business activities and transactions. This request would help build the structure for planning, training and coordinating database backup plans and disaster planning and recovery strategies; planning, coordinating and implementing security audit measures to protect taxpayer data that includes the implementation of techniques for intrusion detection and database security auditing; transition the department's tax system GenTax database from Oracle to SQL Server to be better aligned with SITSD's disaster recovery model; oversee the maintenance of the department's paper and electronic records; funding for a computer program that will be used to track and store records; expand PAD remote scanning and launch a project to scan personnel records (add 4 scanners plus hardware and software).

EPP Number (if applicable)

Initiative 4   **Property Assessment Division Video Conferencing**

Description: To make state-wide information sharing and training more effective, productive, safe and cost effective. This request would assist with the install of video conferencing units in various locations statewide. Meetings held using electronic collaboration technologies, rather than in-person, will not only be more energy efficient but will provide for improved productivity, communications, education and training, and reduced travel time.

EPP Number (if applicable)

Initiative 5   **Web-based application portal for 1-Stop Licensing**

Description: The Montana Department of Revenue is requesting funding to provide a web-based

application for businesses to apply for licenses through the One-Stop Licensing Program. This would provide businesses the ability to apply for and renew businesses annually via the web rather than through the mail. A secure electronic portal would be created through the internet to the existing One-Stop Licensing System to apply and pay for their annual business licenses included in the program.

SECTION 6: ENTERPRISE ALIGNMENT

Communities of Interest Participation

- ☑ Government Services

- ☑ Public Safety

- ☑ Human Resources

- ☐ Environmental

- ☑ Education

- ☑ Economic

- ☐ Cultural Affairs

- ☑ Finance

SECTION 7: PLANNED AGENCY IT EXPENDITURES

Expense Category	FY2012		FY2013		FY2014		FY2015		FY2016		FY2017
Personal Services	1,866,000		1,834,000		1,900,000		2,000,000		2,100,000		2,200,000
Operating Expenses	5,090,000		4,851,000		5,250,000		5,250,000		5,500,000		5,500,000
Initiatives	1,228,000		0		0		0		0		0
Other expenditures	238,000		238,000		200,000		200,000		200,000		200,000
Totals	8,422,000		6,923,000		7,350,000		7,450,000		7,800,000		7,900,000

SECTION 8: ADDITIONAL INFORMATION - OPTIONAL

Other types of information that support the agency's IT Plan. Some examples might include other COI participation, reference to other IT plans such as GIS plan, eGovernment plan, security plan, staffing issues and constraints, etc.

Please see attached document titled:

Montana's Department of Revenue: A Record of Effective, Efficient Tax Administration as a Unitary Business Operation